

PAY ADMINISTRATION

1. REASON FOR ISSUE: To revise Department of Veterans Affairs (VA) procedures related to payment of higher rates of pay for assignment as a head nurse.

2. SUMMARY OF CONTENTS/MAJOR CHANGES: This handbook contains mandatory VA procedures on pay administration. The pages in this handbook replace the corresponding page numbers in part III, chapter 8 of VA Handbook 5007, dated April 15, 2002. Page III-47 is added. These changes will be incorporated into the electronic version of VA Handbook 5007 that is maintained on the [Office of Human Resources Management website](#). Significant changes include:

a. Provides for nurses who are detailed to or serve in a head nurse assignment in an acting capacity for more than 30 consecutive days to receive additional pay for the head nurse assignment.

b. Prohibits nurses in grades IV or V from receiving head nurse pay.

3. RESPONSIBLE OFFICE: The Human Resources Management Programs and Policies Service (051), Office of the Deputy Assistant Secretary for Human Resources Management.

4. RELATED DIRECTIVES: VA Directive 5007, "Pay Administration."

5. RESCISSIONS: None.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS**

/s/John A. Gauss
Assistant Secretary for
Information and Technology

/s/Jacob Lozada, Ph.D.
Assistant Secretary for Human
Resources and Administration

Distribution: RPC 1253
FD

CONTENTS - CONTINUED

PARAGRAPH PAGE

CHAPTER 8. HIGHER RATES OF PAY FOR ASSIGNMENT AS HEAD NURSE OR POSSESSION OF SPECIALIZED SKILLS

1. **ASSIGNMENT AS A HEAD NURSE**
III-43
2. **HIGHER RATES OF PAY BASED ON SPECIALIZED SKILLS**
III-44
3. **ELIGIBILITY**
[III-45]
4. **DOCUMENTATION**
III-45
5. **PAY ADMINISTRATION**
III-45
6. **DETAILS AND REASSIGNMENTS**
III-46

APPENDICES

- III-A. **STATEMENTS OF UNDERSTANDING FOR ASSIGNMENT AS A HEAD NURSE
OR POSSESSION OF SPECIALIZED SKILLS**
III-A-1

CHAPTER 8. HIGHER RATES OF PAY FOR ASSIGNMENT AS HEAD NURSE OR POSSESSION OF SPECIALIZED SKILLS

1. ASSIGNMENT AS A HEAD NURSE. An RN serving in a head nurse assignment shall, while so serving, receive basic pay at a rate two steps above the rate that would otherwise be applicable. The adjustment is made even if it causes the RN to exceed the maximum authorized step of the grade, even when the rate range is 175 percent. For example, a head nurse may receive a constructed step 13 or 14 if step 12 is the maximum authorized step of the grade or step 27 or 28 if step 26 is the maximum authorized step of the grade. Head nurses are eligible for PSIs until they reach two steps above the maximum authorized step of the grade; e.g., a head nurse at a constructed step 13 who meets the requirements of part III, chapter 5, is eligible for a PSI to step 14. The differential is also in addition to any pay retention under paragraph 6 of chapter 6, this part.

a. **Restrictions.** Individuals in head nurse assignments must exercise first line supervisory responsibility over a nursing unit or ward which contains at least the equivalent of three full-time subordinate Nursing Service personnel (registered nurses, licensed practical nurses or nursing assistants).

b. **Head Nurse Supervisory Responsibilities.** The head nurse is responsible for ensuring that subordinate nursing personnel provide timely nursing care which complies with generally accepted standards of clinical practice. This includes the authority to accept, amend or reject the work of subordinates. In addition, to be eligible for head nurse pay, individuals in the assignment must have continuing responsibility for all of the following functions:

(1) Planning work to be accomplished by subordinates, setting priorities and preparing schedules for completion of work;

(2) Assigning work to subordinates based on priorities, selective consideration of the difficulty and the requirements of the assignments, and the capabilities of subordinates;

(3) Evaluating the performance of subordinates;

(4) Making recommendations for appointments, advancements or reassignments of subordinates;

(5) Giving advice, counsel, or instruction to subordinate personnel on work and administrative matters;

(6) Hearing and resolving complaints of subordinates and referring more serious complaints not resolved to higher level supervisors;

(7) Recommending and/or taking disciplinary action where appropriate; and

(8) Identifying developmental and training needs of subordinates and providing or making provision for such development and training.

c. **Exclusions.** Head nurse pay does not apply to the following:

(1) Second or higher level supervisors and upper level managers; e.g., Clinical Coordinators, Associate or Assistant Chiefs, or Chief of the Nursing Home Care Unit;

(2) Assignments that do not involve the provision of direct nursing care (e.g., assignments in quality assurance or regional medical education centers); and

(3) Evening supervisors, night supervisors, or other supervisory assignments that do not possess the full range of supervisory responsibilities described in the preceding.

[(4) Employees detailed to head nurse assignments except as provided in paragraph 6a(2).

(5) Employees at Nurse IV or Nurse V since assignment to these grades is based on a scope of duties and responsibilities beyond those associated with a head nurse position.]

d. **Other Supervisory Assignments.** Facility directors, or their designees, may establish supervisory assignments that do not meet the preceding criteria; however, individuals in those assignments are not eligible for head nurse pay. For example, a nurse may be given supervisory responsibility over non-nursing personnel, or an assignment may meet the definition of a first-line supervisor for labor relations purposes under 5 U.S.C. 7103(a)(10), but not meet the eligibility requirements for head nurse pay.

2. HIGHER RATES OF PAY BASED ON SPECIALIZED SKILLS

a. **Appointments and Reappointments.** Facility directors may, after considering the recommendation of the Professional Standards Board, appoint or reappoint individuals to covered positions at any step of the grade for which they qualify if vacancies for such employees exist and such action is necessary to obtain their services. This action may only be taken to recruit employees with specialized skills, particularly specialized skills that are difficult or demanding. The step rate may exceed the maximum authorized step of the grade only when the individual is appointed to a head nurse position (see par. 1 above), or if pay retention is authorized under chapter 4, paragraph 1c(2)(b) or (c).

b. **Employees Currently Employed at the Facility.** When an adjustment is made under subparagraph 2a, salary rates of onboard employees in assignments requiring the same specialized skills may be adjusted up to the same number of steps. The step may exceed the maximum authorized step of the grade only if the individual is in a head nurse assignment.

NOTE: *The purpose of this adjustment is to ensure that current employees are receiving rates of pay that are comparable to corresponding positions in the LLMA. An adjustment would not be appropriate if the employee's skills have already been recognized under superior qualification appointment, special advancement, or other means.*

c. **Coordination.** Higher rates for specialized skills will be coordinated with other affected VA health care facilities in the LLMA.

3. ELIGIBILITY. To be eligible for a higher rate under this paragraph, employees must spend at least 75 percent of their VA time performing these duties.

4. DOCUMENTATION

a. Higher Rates of Pay for Head Nurses

(1) Authorization of a higher rate of pay for a head nurse does not require a recommendation from the Nurse Professional Standards Board (NPSB) unless the action is coincident with some other action requiring NPSB review.

(2) Upon assignment as a head nurse, the employee shall sign a statement of understanding regarding the higher rate of pay (see sample in app. III-A). The statement is to be filed on the right side of the employee's Merged Records Personnel Folder (MRPF).

b. Higher Rates of Pay for Specialized Skills

(1) Directors must document the reasons for any appointment above the minimum based on specialized skills, and include a copy of that documentation in the first budget documents submitted after the approval. The facility Human Resources Manager must retain copies of this material for 2 years.

(2) The reason(s) for any appointment or adjustment based on specialized skills are to be placed on VA Form 10-2543, Board Action, along with the grade and step that would have applied but for the approval.

(3) An on-board employee whose rate of pay is adjusted due to specialized skills shall sign a statement of understanding regarding the higher rate of pay (see sample in app. III-A). The statement is to be filed on the right side of the employee's MRPF.

5. PAY ADMINISTRATION

a. Basic Pay. Higher rates of pay for head nurses and for specialized skills are considered basic pay for premium pay purposes, lump-sum annual leave, retirement, work injury compensation, life and health insurance, and severance pay. [Loss of a higher rate of pay for a head nurse assignment or for specialized skills is not considered an adverse action.]

b. Equivalent Increases. Authorizations of higher rates of pay for head nurses or specialized skills are not considered equivalent increases. However, the employee must meet the waiting period required for the higher step.

c. Reducing or Terminating Authorizations for Higher Rates Based on Specialized Skills

(1) Facility directors may reduce or terminate higher rates for specialized skills whenever they no longer meet the criteria in paragraph 2. However, if there is more than one affected VA facility in the LLMA, all reductions or terminations must be coordinated with those affected facilities. The reduction or termination of an authorization does not affect the basic pay of employees who were receiving higher rates of pay for specialized skills before the authorization was reduced or terminated.

(2) Higher rates for specialized skills also terminate if a facility director or a group of facility directors in a given LLMA establish a specialty pay schedule or special salary rates for these employees are approved under 38 U.S.C. 7455. For example, higher rates of pay for a specialized skill (operating room nursing) would terminate if a specialty pay schedule or special salary rates were established for operating room nurses at that facility. When placing these employees on the new pay schedule or the special salary rate range, they are to be treated as if the higher rates for specialized skills had not been approved. The individual's employment history is to be reconstructed disregarding the higher rates for specialized skills, and the employee is then to be placed on the corresponding step of the new pay/special rate schedule. The reconstruction should not result in any employee losing money when placed on a specialty schedule or special salary rates. **NOTE:** *For further information about the reconstruction process, see chapter 7 of this part.* For example, if employees with the specialized skill are appointed at step 3, and a new schedule for employees with the specialized skill is established, employees at step 3 on the old schedule are to be placed at step 1 on the new schedule.

6. DETAILS AND REASSIGNMENTS

a. Details

[(1)] Higher rates of pay for head nurses and for specialized skills continue while the employee is detailed to another assignment. Details of individuals receiving higher rates of pay as head nurses or because of specialized skills should only be approved in emergency situations and should be kept to a minimum duration.

[(2)] An individual detailed to a [head nurse] assignment [] or who serves in such an assignment in an acting capacity [shall receive a two-step adjustment in pay effective the beginning of the first full pay period after serving 30 consecutive days in the assignment. The higher rate of pay remains in effect only so long as the employee serves in the head nurse assignment. Upon approval of the higher pay rate, the following statement will be placed in the "Remarks" item of Standard Form SF-50, Notification of Personnel Action: "Employee informed of conditions of temporary assignment". In addition, the employee shall sign a statement of understanding regarding the higher rate of pay (see sample in app. III-A). The statement is to be filed on the right side of the employee's personnel folder.

(3) An individual detailed to an assignment with higher rates of pay for specialized skills or who serves in such an assignment in an acting capacity is not eligible for a higher rate of pay under this chapter.]

b. Reassignments

(1) **Determining Pay.** Higher rates for serving as a head nurse or for having specialized skills continue in effect with respect to the employee only so long as the employee continues to serve in such an assignment at least 75 percent of their VA appointment. If an employee is reassigned to a position other than head nurse or to a position which does not require specialized skills, the higher rate of pay shall not be used to determine the employee's pay in the new assignment.

(a) To determine the appropriate step for head nurses who are reassigned to another position in the same grade, remove the additional two steps for the head nurse position.

(b) To determine the appropriate step for employees who have received higher rates based on specialized skills, the individual's employment history must be reconstructed disregarding any higher rates of pay for specialized skills (see chapter 7 of this part).

(2) **Voluntary Reassignment.** If an employee receiving pay under this paragraph voluntarily requests an assignment that is not covered by this paragraph, the request shall be submitted to the Director, or designee, through channels in writing (see sample request contained in app. III-A). The employee's signed request is to be filed on the right side of the employee's MRPF.